



CALIFORNIA ENERGY COMMISSION

Pre-Rulemaking Draft Regulations for Power Source Disclosure Program

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Staff Workshop
California Energy Commission
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Workshop Agenda

- Housekeeping
- Purpose of Staff Workshop
- Power Source Disclosure Regulations Background
 - SB 1305
 - AB 162
 - Formal Administrative Procedure Act (APA)
- Proposed changes to Regulations
- Next Steps



Housekeeping

- Handouts on desk at room entrance
- Restrooms on 1st floor
- Snack bar on 2nd floor
- Emergency evacuation procedures
- WebEx
- This presentation will be available on CEC website.



Housekeeping, Continued

- In person comments: Fill out blue card and hand it in; we will call you to podium.
- Comments via WebEx: Use “raise hand” feature; we will un-mute you during your turn.
- Comments via phone: We will un-mute all lines at end of comment period- please un-mute your phone only to ask a question.
- Written comments: submit according to directions in workshop notice.



Purpose of Staff Workshop

- Discuss rulemaking process and proposed changes to the Power Source Disclosure Program.
- Encourage and facilitate public participation.
- To hear comments on draft regulations.



Regulations Background



Senate Bill 1305

- Pursuant to SB 1305 (Sher, 1997), the Energy Commission adopted regulation in 1998.
- Required all electricity providers to disclose quarterly and annual fuel mix information to retail customers in the form of a Power Content Label (PCL).
- The PCL identifies the fuel mix and technology types of a retail supplier's source of power and included net system power as a representation of CA's power mix.



Assembly Bill 162

- AB 162 (Ruskin) was signed into law by Gov. Schwarzenegger in October 2009.
- It removed the net system power disclosure requirement, and replaced it with total CA system electricity.
- It added the definition of “unspecified sources of power,” therefore requiring all retail sellers to disclose their electricity sources as specific purchases or as unspecified sources of power.



Assembly Bill 162

- Reporting requirements now changed from quarterly to annually, as well as minor changes to reporting due dates.



Pre-Rulemaking Phase

- Order Instituting Rulemaking adopted October 8, 2014.
- Draft regulations posted to Energy Commission website on May 15, 2015.
- Held staff workshop on May 28, 2015.
 - 10 sets of written comments received



Formal APA Rulemaking Phase

- Initiated December 18, 2015 – Office of Administrative Law (OAL) published Notice of Proposed Action in the California Regulatory Notice Register.
- Rulemaking documents posted on Energy Commission's website and made available to public for review and comment.
 - Notice of Proposed Action (NOPA)
 - Proposed amendments to regulations (Express Terms)
 - Initial Statement of Reasons (ISOR)



Formal APA Rulemaking Phase

- NOPA
 - Notice of staff workshop/hearing and adoption hearing; public comment instructions; availability of documents.
- ISOR
 - Rationale for all proposed modifications to regulations under rulemaking



Formal APA Rulemaking Phase

- During formal APA rulemaking phase, all oral and written comments are recorded and included in rulemaking file.
- Adoption Hearing at Energy Commission Business Meeting for Proposed Regulations estimated for March 2016.
- Once complete, final rulemaking package will be submitted to OAL for approval.



Rulemaking Document Availability

- Copies of rulemaking documents available on CEC website at:
[http://www.energy.ca.gov/
power_source_disclosure/14-OIR-01/](http://www.energy.ca.gov/power_source_disclosure/14-OIR-01/)
- Copies of rulemaking documents can also be obtained by contacting CEC staff.



Proposed Changes to Regulations



Section 1391: Definitions

- Major Changes:
 - Eliminated Old Section 1391 (a)(1) – (2): term “claims of specific power” were eliminated by AB 162.
 - New Section 1391 (a) – Balancing authority: definition added to bring regulations in line with the contemporary usage of terms.
 - Section 1391 (c) – Eligible Renewable: as required by AB 162, definitions changed to conform with definitions of eligible renewable in the Renewables Portfolio Standard program.
 - Status conferred situation, in which any changes to definition of eligible renewable fuel types adopted pursuant to RPS will be used for PSD. (P.U.C. 398.4 (h)(5))



Section 1391: Definitions

- Major changes, continued:
 - New Section 1391 (n) – Non California eligible renewable: electrical generation from an out-of-state facility not certified by California RPS, but certified by another state's RPS.
 - Addresses issue where retail suppliers cannot identify facilities that are not CA RPS eligible, but are eligible for a different RPS program.
 - Allows multi-jurisdictional retailers to disclose resources that are still eligible in an RPS program outside of California.
 - P.U.C 398.4 gives Energy Commission discretion to add this new energy category, and is now a part of the list of fuel mix resources in Section 1393 (d)(1)(F).
 - Section 1391 (v) – system operator: this definition was updated for clarity, as P.U.C. 398.3 (a) makes references to this term.



Section 1391: Definitions

- Major Changes, continued:
 - Section 1391 (w) – Total California System Electricity: this a statutorily required definition by AB 162. (P.U.C. 398.4 (g)(2))
 - Section 1391 (x) – Unspecified Sources of Power: this is a statutorily required definition by AB 162; included in list of fuel mix resources in Section 1393 (d)(1)(G) and included in Section 1394 (a)(2)(B) and (C). (P.U.C 398.2 (d))
 - Section 1391 (y) – WREGIS Certificate: WREGIS certificates can be used by retail suppliers to establish fuel and technology characteristics of renewable electricity purchased.



Section 1391: Definitions

- Minor Changes:
 - Section 1391 (h)(2) – updated the acronym of Western Electricity Coordinating Council (WECC).
 - Section 1391 (m) – updated a reference to statutory code.
 - Section 1391 (p) – “suppliers” added and “providers” struck out due to change in terminology enacted with AB 162. These changes made throughout the Express Terms.
 - Section 1391 (t) – change made to update the title of the ISO Tariff. This is a status conferred situation, in which any changes in the definition of “scheduling coordinator” adopted by the ISO will be used for the PSD program.



Section 1392: Generation Disclosure

- Major Changes:
 - Section 1392 (a)(1): References to “system operator” have been replaced with “balancing authority” to bring regulations in line with contemporary usage of terms. (P.U.C. 398.3 (a))
 - Section 1392 (b)(3)(C)1.a : “waste” has been replaced by “biowaste”, as enacted by AB 162.
 - Section 1392 (b)(3)(C)1.c : “small hydroelectric” has been replaced by “eligible hydroelectric” in PUC 398.4, as enacted by AB 162.
 - Section 1392 (b)(3)(C)7. : The category “Non-California eligible renewable” was added.



Section 1392: Generation Disclosure

- Minor Changes:
 - References to “subsection” have been replaced by “subdivision” to bring regulations in line with the contemporary usage of terms. This change has been made throughout Express Terms.



Section 1393: Retail Disclosure to Consumers

- Major Changes:
 - A new Section 1393 has been proposed to replace the existing section. The majority of statutory changes brought by AB 162 address and affect retail supplier disclosure to consumers, and it was determined that a full replacement would be simpler to understand.
 - Guidance on addressing pumped storage and non-California eligible renewable resources are addressed.



Section 1393: Retail Disclosure to Consumers

- Major Changes, continued:
 - Section 1393 (a)(1), (2) & (4) – Annual Disclosure: added as defined by P.U.C. 398.4 subd. (b), (c) and (h)
 - Section 1393 (b): requirement to disclose fuel mix to consumers added as required by P.U.C. 398.4 (a).
 - Section 1393 (c)(1) – (2): this subdivision identifies timing requirements of the marketing and annual disclosures; as required by P.U.C. 398.4 (b) and (c).



Section 1393: Retail Disclosure to Consumers

- Major Changes, continued:
 - Section 1393 (d): this subdivision identifies specific fuel mix information that must be included in all marketing and annual disclosures; as required by P.U.C. 398.4 (g) and (h).
 - Retail sellers raised questions on how pumped storage facilities affect calculations of large hydroelectric generation. There are cases where pumping water requires more electricity than it generates; a proposed change is to have this net generation to be reported as zero kilowatt hours, if the facility consumes more than it generates.
 - This change made so calculations are not distorted in fuel mix.



Section 1393: Retail Disclosure to Consumers

- Major Changes, continued:
 - Section 1393 (d)(1)(F): “Non-California eligible renewable” category was added as discussed from Section 1391 (n).
 - This address an issue about whether the calculation should be based on resources that are used to supply CA customers only.
 - Section 1393 (d)(3): fuel mix calculations are based on net purchases of all specific purchases and unspecific sources of power acquired during previous year; required by P.U.C. 398.4.



Section 1393: Retail Disclosure to Consumers

- Major Changes, continued:
 - Section 1393 (e)(1) – (2): this subdivision establishes the formatting requirements for the PCL. Information provided on PCL needs to be in one place without intervening material
 - New Section 1393 (e)(3): this subdivision stipulates the mandatory use of the PCL template provided by the Energy Commission on its website, and includes guidance for inputting a retail supplier's fuel mix into the template.



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Label Variances

Power Content Label

Energy Resources	2013 Power Mix (Actual)	2013 CA Power Mix** (for comparison)
Eligible Renewable	88%	19%
—Biomass & waste	13%	3%
—Geothermal	7%	4%
—Small hydroelectric	2%	1%
—Solar	0%	2%
—Wind	66%	9%
Coal	0%	8%
Large Hydroelectric	0%	8%
Natural Gas	0%	44%
Nuclear	0%	9%
Other	0%	0%
Unspecified sources of power*	12%	12%
TOTAL	100%	100%

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.
 ** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact 3 Phases Renewables. For general information about the Power Content Labels, contact the California Energy Commission at 1 (800) 555-7794 or www.energy.ca.gov/consumer.

POWER CONTENT LABEL			
ENERGY RESOURCES	MCE 2013 LIGHT GREEN POWER MIX	MCE 2013 DEEP GREEN POWER MIX	2013 CA POWER MIX** (for comparison)
Eligible Renewable:	51%	100%	19%
- Biomass & waste	6%	0%	3%
- Geothermal	0%	0%	4%
- Eligible hydroelectric	12%	0%	1%
- Solar	<1%	0%	2%
- Wind	33%	100%	9%
Coal	0%	0%	8%
Large Hydroelectric	10%	0%	8%
Natural Gas	0%	0%	44%
Nuclear	0%	0%	9%
Other	0%	0%	0%
Unspecified sources of power*	39%	0%	12%
TOTAL	100%	100%	100%
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources at the time of purchase. ** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.			
For specific information about these electricity products, contact MCE at 1 (888) 632-3674 or info@mceCleanEnergy.org . For general information about the Power Content Label, contact the California Energy Commission at 1 (800) 555-7794 or www.energy.ca.gov/consumer .			



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Label Variances, cont'd:

Electric Utility Information

[About Us](#)
[History](#)
[Services](#)
[Map](#)
[Power Mix](#)
[Rules/Regs](#)

Power Content Label

Energy Resources	City of Lodi Actual 2013 Power Mix	California 2013 Power Mix
Renewables	19.7%	18.9%
-Biomass	0%	2.7%
-Geothermal	19.3%	4.4%
-Small hydroelectric	0.4%	1.4%
-Solar	0%	1.8%
-Wind	0%	8.5%
Coal	0%	7.8%
Large Hydroelectric	7.6%	7.8%
Natural Gas	23.7%	44.3%
Nuclear	0%	8.8%
Oil	0%	0%
Other	0%	0%
Unspecified Power Sources	49%	12.5%
TOTAL	100%	100%

POWER CONTENT LABEL

ENERGY RESOURCES	DIRECT ENERGY BUSINESS'S STANDARD OFFER ¹ (Actual)	2012 CA POWER MIX ² (for comparison)
Eligible Renewable	15.4%	15.4%
- Biomass & Waste	2.3%	2.3%
- Geothermal	4.4%	4.4%
- Small Hydroelectric	1.5%	1.5%
- Solar	0.9%	0.9%
- Wind	6.3%	6.3%
Coal	7.5%	7.5%
Large Hydroelectric	8.3%	8.3%
Natural Gas	43.4%	43.4%
Nuclear	9.0%	9.0%
Other	0.0%	0.0%
Unspecified sources of power³	16.4%	16.4%
TOTAL	100%	100%

For specific information about this electricity product, contact Direct Energy Business at 888-925-9115. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.

¹ 0% of Direct Energy Business's Standard Offer is specifically purchased from individual suppliers.

² Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

³ "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.



Revised PCL Template

POWER CONTENT LABEL		
ENERGY RESOURCES	2014 POWER MIX	2014 CA POWER MIX**
Eligible Renewable	0%	20%
Biomass & waste		3%
Geothermal		4%
Small hydroelectric		1%
Solar		4%
Wind		8%
Coal		6%
Large Hydroelectric		6%
Natural Gas		45%
Nuclear		9%
Other		0%
Unspecified sources of power*		14%
TOTAL	0%	100%

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.

** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact:	(Company Name) (Company Phone Number)
For general information about the Power Content Label, contact:	California Energy Commission 1-844-217-4925 http://www.energy.ca.gov/sb1305/



Section 1394: Annual Submission to CEC

- Major Changes:
 - Section 1394 (a)(1): annual report due date for a retail supplier changed from March 1 to June 1; statute gives Energy Commission discretion to select an appropriate date; June 1 due date already in practice.
 - Section 1394 (a)(1)(B): Language changed to allow a retail supplier to provide either a hard copy or electronic copy of its annual report the Energy Commission; this would provide reporting flexibility.
 - Section 1394 (a)(2)(A)(1): Submission of “Energy Commission Certificates” replaced with “WREGIS certificates” due to the implementation of WREGIS as the energy tracking system covered in the WECC region; language added to have retail suppliers provide location, as well as EIA, WREGIS and FERC IDs to track generation; already in practice.



Section 1394: Annual Submission to CEC

- Major Changes, continued:
 - Section 1394 (a)(2)(A)(2): This subdivision was added to clearly define gross generation, net generation, and resold or consumed electricity must be reported separately.
 - Section 1394 (a)(2)(A)(3): annual report due date for a power pool changed from March 1 to June 1; statute gives Energy Commission discretion to select an appropriate date; June 1 due date already in practice.
 - Section 1394 (a)(2)(A)(3) a and b: the requirement to submit Energy Commission certificates was replaced with a requirement to submit WREGIS certificates



Section 1394: Annual Submission to CEC

- Major Changes, continued:
 - Section 1394 (a)(2)(B): “unspecified sources of power” has replaced “kilowatt hours sold for each product from sources other than specific purchases;” changes made to reflect AB 162.
 - Section 1394 (a)(2)(C) : language changed to clarify statutory requirements.
 - Section 1394 (a)(2)(D) : submission of PCLs; changes made to reflect AB 162.



Section 1394: Annual Submission to CEC

- Major Changes, continued:
 - Section 1394 (b)(1): reporting due date for annual audits was changed from June 1 to October 1 to provide retail suppliers with sufficient time between annual report submission and the due date for the audit; October 1 due date already in practice. Language pertaining to quarterly PCLs have been eliminated due to statutory requirements.
 - Section 1394 (c): language allows the CEC to investigate all electricity transactions reported by retail seller; statutorily required by AB 162.



Section 1394: Annual Submission to CEC

- Minor Changes:
 - Section 1394 (a)(1)(A): The use of retail supplier identification numbers was deleted; these numbers are no longer used by the Energy Commission for the PSD program.
 - Renumbering of annual reporting schedules to streamline and accurately reflect reporting information.
 - Language on “claims of specific purchases” is eliminated because AB 162 requires all retail suppliers to disclose specific purchases. (P.U.C. 398.4 (a))



Appendix A – Power Content Labels

- All subdivisions of this appendix have been eliminated, as they provided examples of power content labels that met the formatting requirements outlined in Section 1393 that the Energy Commission proposes to eliminate.
 - A revised template is provided on the Energy Commission’s website in which all retail suppliers must use to disclose fuel mix percentages to its customers.



Appendix B – Energy Commission Certificate Program

- All subdivisions of this appendix have been eliminated as they pertain to a program the Energy Commission has not used since the implementation of WREGIS, which now provides renewable generation tracking throughout the WECC.



Appendix C – Agreed Upon Procedures

- Major Changes:
 - this appendix has been renamed “Appendix A” as a result of the elimination of appendices A and B.
 - Subdivision (b): language reflects the new date for the annual report, discussed in 1394 (a)(1).
 - Subdivision (c)(1): changed language to reflect the updating of reporting schedules, discussed in 1394 (a)(2)(B).
 - Subdivision (c)(1)(A): references to CEC certificate program are deleted; facility/pool numbers provided by various federal/ regional agencies must be agreed upon with information used to prepare Schedule 1.



Appendix C – Agreed Upon Procedures

- Major Changes, continued:
 - Subdivision (c)(2) (A) and (B) : this subdivision would require the auditor to agree total retail sales information used to create Schedule 1 with the sales information actually provided on the reporting schedule.
 - Subdivision (c)(3)(A) : this subdivision has been eliminated as it pertained to the comparison of quarterly and promotional disclosures to annual report data submitted to the Energy Commission.
 - Subdivision (c)(3)(C): this subdivision has been eliminated as projected fuel mixes are no longer required by statute.
 - Subdivision (c)(4)(A)(1) and (c)(4)(A)(2)(a) : references to CEC certificate program are deleted; facility/pool numbers provided by various federal/regional agencies must be agreed upon with information used to prepare Schedule 3.



Appendix C – Agreed Upon Procedures

- Minor Changes:
 - Subdivision (a): non-substantive grammatical changes have been made.
 - Subdivision (c)(1)(C) and (c)(2): instructions in this section have been modified to indicate this information should be presented on Schedule 2, rather than Schedule 2B.



Next Steps

- February 5, 2016: written comments are due —see NOPA for further instructions.
- March 2016: regulations to be considered for adoption at business meeting.
- Summer 2016: OAL files regulations with Secretary of State; regulations can be effective upon filing.



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